

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al*,

Debtors.¹

PROMESA
TITLE III

No. 17-BK-03283 (LTS)

(Jointly Administered)

**INFORMATIVE MOTION AND NOTICE OF SETTLEMENT OF SPECIAL CLAIMS
COMMITTEE OF FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR
PUERTO RICO AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS IN
COMPLIANCE WITH LITIGATION CASE MANAGEMENT AND SETTLEMENT
APPROVAL PROCEDURES ORDER**

To the Honorable United States District Court Judge Laura Taylor Swain and the
Honorable United States Magistrate Judge Judith G. Dein:

The Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), acting by and through the members of the Special Claims Committee (the “SCC”), together with the Official Committee of Unsecured Creditors of All of the Title III Debtors Other than PBA and COFINA (the “Committee”), respectfully jointly submit this informative motion and notice of settlement (the “Notice of Settlement”) pursuant to section B.iii.b. of Appendix II

¹ The Debtors in these Title III cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Bankruptcy Case No. 19-BK-5523 (LTS)) (Last Four Digits of Federal Tax ID: 3801).

of the *Order Granting Omnibus Motion by the Financial Oversight and Management Board for Puerto Rico, Acting by and Through the Members of the Special Claims Committee and the Official Committee of Unsecured Creditors to (I) Establish Litigation Case Management Procedures and (II) Establish Procedures for Approval of Settlements* [ECF No. 7941] (the “Procedures Order;” Appendix II thereof, the “Avoidance Action Procedures”) and respectfully state as follows:

1. The SCC and Committee are co-plaintiffs in certain adversary proceedings and hereby jointly seek approval of a negotiated resolution of certain claims raised therein pursuant to the Avoidance Action Procedures.
2. Information concerning each respective adversary proceeding to be settled is provided at **Exhibit A** hereto, in conformation with the Avoidance Action Procedures.
3. Any party wishing to object to any negotiated resolution described herein must do so by filing an objection to this Notice of Settlement not later than April 16, 2021.

Dated: April 2, 2021

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Exhibit A

Adversary Proceeding No.	Notice
19-00112	<p>The Parties to the Adversary Proceeding are the SCC and the Committee, as co-plaintiffs, and defendant Oracle Caribbean, Inc. (the “<u>Defendant</u>”). The total face value of the amount sought to be avoided and recovered in the Adversary Proceeding is \$45,179,575. In settlement of certain claims raised in the Adversary Proceeding, Defendant has agreed to pay \$1,500,000 to the co-plaintiffs, which amount is to be held in escrow and distributed pursuant to either (i) agreement of the Oversight Board, the SCC, and the Committee or (ii) order of the Court. Defendant has also agreed to waive claims against the title III Debtors arising under section 502(h) of the Bankruptcy Code.</p>
19-00245	<p>The Parties to the Adversary Proceeding are the SCC and the Committee, as co-plaintiffs, and defendant Pearson Education, Inc. (the “<u>Defendant</u>”). The total face value of the amount sought to be avoided and recovered in the Adversary Proceeding is \$12,310,290. In settlement of certain claims raised in the Adversary Proceeding, Defendant has agreed to pay \$400,000 to the co-plaintiffs, which amount is to be held in escrow and distributed pursuant to either (i) agreement of the Oversight Board, the SCC, and the Committee or (ii) order of the Court. Defendant has also agreed to waive all related claims against the title III Debtors, including any claims arising under section 502(h) of the Bankruptcy Code.</p>
19-00117	<p>The Parties to the Adversary Proceeding are the SCC and the Committee, as co-plaintiffs, and defendant Pearson Pem P.R., Inc. (the “<u>Defendant</u>”). The total face value of the amount sought to be avoided and recovered in the Adversary Proceeding is \$92,006,215. In settlement of certain claims raised in the Adversary Proceeding, Defendant has agreed to pay \$1,950,000 to the co-plaintiffs, which amount is to be held in escrow and distributed pursuant to either (i) agreement of the Oversight Board, the SCC, and the Committee or (ii) order of the Court. Defendant has also agreed to waive all related claims against the title III Debtors, including any claims arising under section 502(h) of the Bankruptcy Code.</p>
19-00128	<p>The Parties to the Adversary Proceeding are the SCC and the Committee, as co-plaintiffs, and defendant Ricoh Puerto Rico, Inc. (the “<u>Defendant</u>”). The total face value of the amount sought to be avoided and recovered in the Adversary Proceeding is \$23,599,376. In settlement of certain claims raised in the Adversary Proceeding, Defendant has agreed to pay \$200,000 to the co-plaintiffs, which amount is to be held in escrow and distributed pursuant to either (i) agreement of the Oversight Board, and the Committee or (ii) order of the Court. Defendant has also agreed to waive all related claims against the title III Debtors, including any claims arising under section 502(h) of the Bankruptcy Code.</p>